



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 06-8, Alternate Method of Payment for Spot Awards

Date: May 18, 2006

To: Holders of the Payroll/Personnel Manual

This bulletin announces changes related to the payment of individual/group spot awards processed through the Entry, Processing, Inquiry, and Correction System (EPIC), or your agency Front-End System Interface (FESI). The processing of a spot award using Nature of Action Code (NOAC) 840, Individual Cash Award, and NOAC 841, Group Cash Award, with Authority Code, PAY, now allows payments up to \$6500. Previous payments were limited to a maximum of \$500.

Agencies who wish to use NOAC's 840 and 841 with Authority Code PAY must adhere to the following procedures:

Requirements for Obtaining Authorization To Use NOAC 840/841 Pay Option with the Increased Limit

- Any agency that is a component of a larger organization must have departmental approval to use the increased limit. This approval is necessary because many departments currently have departmental policies in place that specify limits on the dollar value of a spot cash award.
- An agency must submit the request to use this option to nfc.gesdrequest@usda.gov.
- The National Finance Center (NFC) disbursed cash awards (840/841 Pay) over the standard \$500 but not to exceed \$6500 will only be processed for agencies agreeing to participate in a post audit process.
- The request must contain a Point of Contact (POC) for the post-audit process. POC information should include the following:
 - Name
 - Phone Number
 - Email Address
 - Mailing Address

NOTE: An agency may elect to establish a primary and a secondary POC.

- The agency is responsible for ensuring that the POC on file with the Payroll Certification and Disbursement Section (PCDS) is current.

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NOTE: Changes to an agency's POC information should be sent to NFC's PCDS via email to joe.vitale@usda.gov.

- PCDS will email the POC when requesting transaction documents to be audited. The POC may digitally sign the certification statement confirming the validity of the payment. In lieu of the certification statement, the POC may provide PCDS with a copy(ies) of the source document(s).
- The POC must respond to the request within 30 days. Failure to respond will result in a decrease in the agency's payment authority to the original \$500 limit.
- Any discrepancies identified in the post audit review will be resolved by PCDS and the POC on a case-by-case basis.

Method for Processing Spot Cash Awards Paid through NFC's Payroll/Personnel System (PPS)

With NOAC 840/841, use Authority Code PAY. The payment of these awards is generated in PPS.

- Clients who currently use the 840/841 PAY option may continue to do so with no changes to their processing procedures. This option allows for the payment of up to \$500 per award.
 - Process an individual spot award using NOAC 840 with Authority Code PAY and Award Code C100, NFC Disbursed Spot Award.
 - Process a group spot award using NOAC 841 with Authority Code PAY and Award Code C100, NFC Disbursed Spot Award.
- Clients who have requested and are approved to use the new NOAC 840/841 with Authority Code PAY with the increase.
 - Process an individual spot award using NOAC 840 with Authority Code PAY and Award Code C099, Based on Contribution/Performance (net amount entered).
 - Process a group spot award using NOAC 841 with Authority Code PAY and Award Code C099, Based on Contribution/Performance (net amount entered).
 - Provide certification/documentation as necessary for the audit process when requested by PCDS.

NOTE: Agencies using the NOAC 840/841 with Authority Code PAY and Award Code C099, Based on Contribution/Performance, may use the C099 for all 840/841 PAY actions processed and not only those in excess of \$500.

In all cases, the spot award payments made under the PAY authority will be disbursed to the address stated on the Address Indicator field.

Special Processing Requirements for Deleting an Individual/Group Spot Award Processed under the PAY Authority Before Payment Is Disbursed

Since these awards are processed nightly, there is a limited time for deleting spot awards before payment is processed. The spot award must be deleted from the applicable entry system on the

same day that the award is entered. Refer to the appropriate entry system procedure for instructions on deleting spot awards.

If the award is not successfully deleted, and the document does apply to PPS (i.e., the award is displayed in the Information Research/Inquiry System the next day), the payment of the spot award will be processed and cannot be stopped. If the payment is incorrect for any reason, the agency must follow the cancellation process for awards that have been paid.

Cancelling an Individual/Group Spot Award after Payment Is Disbursed by NFC

If the spot award must be cancelled after payment is disbursed, the agency must process a cancellation to the award personnel action during the current or subsequent pay period to correct the employee's personnel history.

The agency must also submit Form AD-343, Payroll Action Request, or use the Document Tracking System (DOTSE), to establish a debt and the repayment of the spot award by the employee.

Individual/Group Spot Awards Paid by NFC Will Not Be Processed on a Nightly Basis in the Final Pay Period of the Calendar Year

To avoid any potential tax reporting problems that may be incurred for a given year, individual/group spot awards processed nightly by NFC will not be processed on a nightly basis during Pay Period 25, which is the first pay period for a subsequent tax year.

The Personnel Edit Subsystem (PINE) Edit Message 149, Award With "Pay" Auth Held To Avoid Corrected W2, will be generated for Document Type 110, Incentive Awards, when agencies process an individual/group spot award paid by NFC on a nightly basis in Pay Period 25. The spot award will be held in a suspense file until the processing of Pay Period 26.

In the event that there are 27 pay periods within a year, the awards entered for Pay Period 26 will be held until Pay Period 27 to avoid any potential tax reporting problems.

Payroll/Personnel Inquiry System (PINQ)

The Payroll/Personnel Inquiry System (PINQ) Program, PQ032, Payroll Listing, may be used to verify NFC's disbursed payment after the final schedule of the Payroll Processing System (PAYE) has been executed at the end of the processing pay period.

Standard Form SF-50B, Notification of Personnel Action

There is no change in the generation of the output of SF-50B's for these types of awards. The output of the SF-50B will be produced with the SF-50B's that are generated for the processing pay period. The SF-50B will reflect the gross amount of the spot award in Block 20, Total Salary/Award, which includes the flat withholding rate of 27 percent for Federal tax, the flat withholding rate of 2 percent for state tax, if applicable, and Medicare and Social Security tax, if applicable.

For questions about policy/regulations, contact your Agriculture Payroll/Personnel User Group (AGPUG) representative or Committee for Agriculture Payroll/Personnel System (CAPPS) representative. Please refer questions about spot awards to the Payroll/Personnel Call Center at **504- 255- 4630**.

A handwritten signature in black ink, appearing to read "Mark Hazuda". The signature is fluid and cursive, with the first name "Mark" and last name "Hazuda" clearly distinguishable.

MARK J. HAZUDA, Director
Government Employees Services Division